Ketchum

June 12, 2009

BY FACSIMILE (202) 514-2836

Registration Unit
Counterespionage Section, Criminal Division
U.S. Department of Justice
Washington, D.C. 20530

Re: Ketchum Inc. (Registration #5758) – Informational Materials

Dear Sir/Madam:

Pursuant to the Foreign Agents Registration Act of 1938, attached please find informational materials disseminated by Ketchum on behalf of Gazprom Export.

If you require additional information, please feel free to contact me at 646-935-4058.

Regards,

Craig Mersky
General Counsel

Ketchum
1285 Avenue of the Americas
New York, NY 10019
T: 646 935 3900
F: 646 935 4482
www.ketchum.com

Offices in:
North America
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Draft of the speech by OAO Gazprom Management Committee Chairman Alexei B. Miller

"The impact of the financial crisis on investments and the demand-supply balance in the energy sector"

in the framework of the 12th annual General Assembly
of the European Business Congress
Porto Cervo, Italy, June 10-11, 2009

Esteemed Ladies and Gentlemen!

I am pleased to have the opportunity to elaborate in front of such a distinguished audience the important issue of the development of the oil price under the global financial and economic crisis, and to provide an outlook on the supply-demand outlook for oil in the coming years.

It is clear that the current crisis has not only triggered a fall in "black gold" prices. What is more important is that it made them volatile and unpredictable, which is detrimental to various industries. The questions "How much should oil cost?" and "What will be the oil price in the foreseeable future?" are not rhetoric. The energy sector is the cornerstone of the world economy. Therefore, the question whether we will reach what many people call the "fair price" for oil will determine to a major extent 1) When and 2) How the economic crisis will be overcome.

Everyone remembers a rather long period when the "black gold" (and natural gas with a certain delay) broke price records on exchanges. And many of you will recall that only a year ago we had to admit the possibility of a major imbalance between demand and supply of hydrocarbons by 2012. At that time, we at Gazprom estimated that such a supply gap could lead to price hikes of above 250 USD per barrel of crude. This forecast has not become reality yet, given that the crisis gained momentum and exerted a powerful impact on the global energy market. But does this mean that our forecast was unrealistic? Not at all!

To explain what I mean, let me turn to an analysis of the current market situation:

There are objective reasons to predict the oil market has pinpointed 100 USD per barrel as benchmark price in 2010. The market has critically reviewed the ratio of production (current and near-future), reserves (existing and potential), expected demand for energy, and the price level. The market reacted to the natural production decrease at existing fields – which amounts to some 7% annually – and to the crisis-caused fall of capital expenditure in the industry. Thus, when we see that over the past weeks the oil prices closed at around 70 USD, then this is not a technical correction or accidental fluctuation, but a return to a pre-crisis trend. Today, we see that the market reflects changes in economic developments. The trend we see is acceptable for consumers. There are sufficient objective grounds for the oil price to rise to 85 USD per barrel by the end of 2009.

At the same time, however, structural changes on the oil market did not take place. Oil prices continue to excessively depend on "non-energy" factors. Who can guarantee that oil prices will not fall again because of yet another bankruptcy in the financial sector? In consequence, this means that producers will not invest because of systemic price risks.

I believe the current situation does not give raise to optimism amongst energy importers. The prices are already relatively high, while there are still no guarantees that further increases in demand will be supported by a sufficient growth of investments and the resource base. Expectations remain that trimmed capital expenditure programs of international oil majors caused by the high volatility of the crude oil market will reduce production capacities and oil supply on the market in 3-5 years. Investments into geological exploration and production in the global oil and gas sector will fall by over 20% in 2009. If capital expenditure is not restored, the forecast of "150 USD per barrel of oil in two to three years" voiced by Saudi Arabian representatives at the Energy Forum in Rome in May will come true.

All that is a sign of a systemic weakness of the oil market. We have to radically review our approaches towards the operation of the oil market.

I would like to note that so far there is no global energy threat related to a shortage of energy carriers. However, fossil fuel production is gradually moving away from major consuming centers and the development of resources is becoming more expensive. Therefore, the future supply of energy resources critically depends on the costs of the start-up and operation of new fields. If the oil price remains as volatile as in the past year, many fields, which the market needs and hopes for, will remain undeveloped.

The start-up of oil fields which are subject to more complicated production conditions, such as shelf fields, will demand bigger investments. They have to reach some 400 billion dollars per year! Therefore, in several years time the world may face a physical shortage of production capacities, which will then trigger an increase of investments in production, but this effect will not immediately emerge. As long as the market is excessively volatile, it is absolutely clear that existing reserves will not be developed rapidly enough to satisfy the expected demand.

We believe that an expanded and intensified dialogue between consumers and producers of hydrocarbons could help all players on the energy market to decrease risks related to the instability of the oil price and provide for the necessary investments.

We have to radically revise the existing pricing system on the oil market. The problem is that today the price is determined not on the physical oil market, but on a market for financial instruments. As a consequence, the oil price greatly depends not on fundamental factors, not on the real oil demand and supply, but on the activities of speculating investors.

The imbalance in favor of "financial" transactions on the oil market has lead to a situation where the oil price mostly reflects the trends on the equity market rather than on the hydrocarbons market. In recent years, we have witnessed an excessive role of "third forces" on the oil market, which have nothing to do neither with the production of hydrocarbons nor with their consumption. Exclusively financial transactions with oil contracts on exchanges made the price depend not on the demand and supply, not on the assessment of future trends, but on the availability of financial resources for such transactions and the "well-being" of the financial market.

But the price of oil as a commodity only has an economic sense if it depends on a large number of real, not virtual market deals. Otherwise, the oil market does not differ in any way from the securities market, in spite of the fact that oil plays a very different role in the global economy. Large-scale investments into oil as a form of value conservation does not stand up to economic scrutiny. It plays a destabilizing role in global economy.

The consequences of these worrying developments are peak prices - such as we have seen in the middle of last year - and inadequately low prices as we have witnessed earlier this year. This situation may have improved somewhat over the last few weeks. It remains true, however, that this

year's oil price dynamics overall reflect the crisis on the financial markets rather than the actual hydrocarbons demand-supply ratio.

It is against this background that we at Gazprom welcomed the recent proposal of Mr. Paolo Scaroni, the president of the Italian ENI, to create a Global Oil Agency. It is an important idea, and we are ready to discuss cooperation possibilities provided the understanding that such an agency will, first and foremost, promote transparency and competitiveness of the global oil market.

One of the major instruments to focus the oil market on deals with physical oil volumes may lie in the predominant use of long-term oil supply contracts, which, unified terms provided, can be concluded in the framework of exchange trading. The creation of a unified system of long-term contracts for physical supplies will allow accounting for real oil production and transportation costs in the price and will put producers into a situation where they can better plan their long-term investments. Long-term contracts will restrict the impact of speculative capital on the oil price. Such over-the-counter contracts are traditionally used in the gas industry and promote reliable supplies.

The system of long-term contracts should be supported by the creation of a unified settlement and payment system with a controlled cast of participants that would help to gradually drive out economically unjustified intermediaries. We are ready to discuss approaches to implement such a scheme with our partners.

Another important issue concerns the decrease of systemic risks of the global oil market. It makes sense to secure the oil market from instabilities on the currency market to the maximum. Therefore, we should consider the reform of the existing system of linking oil prices to only one currency. It is in the interests of all market participants to decrease the impact of currency risks on the operations of the global oil market and to develop a multi-currency settlement system.

The monopoly position of the major NYMEX trade floor and the absence of trading in numerous oil grades bar major producers from the market. It is necessary to create a new Oil Exchange of producing countries, which will really trade in physical volumes. Russia will continue to support the creation of new liquid markers. The example of the Dubai exchange with contracts for physical Oman oil deliveries showed the market is greatly interested in enhanced transparency of the pricing mechanism for sour crude.

The current instability of oil prices cannot be explained by efficient market laws and it creates numerous problems for the global economy. Russian and international oil companies continue to encounter difficulties in planning capital expenditure returns and deadlines, while consumers of oil and its products have no idea even of the mid-term dynamic of their cost expenses.

Therefore, it would be erroneous to think that all our initiatives are just an attempt to secure major profits to producers. The problem of inadequacy of market mechanisms in oil trade has a global significance. Today the world has encountered a large-scale shortage of investments in the oil and gas industry. And it happened in the most improper time when a new investment cycle in the industry has begun. As a result, when the global economy begins to recover from the crisis, the oil and gas sector will be incapable of supporting the positive dynamic by the necessary volume of supplies.

So, nobody has solved the issue of the "2012 supply gap". It may emerge somewhat later, but it will be deeper. It means prices may even jump over the 250 USD hurdle, which we have forecasted a year ago.

If we want to smooth out the price shock of the "2012 supply gap", oil must reliably cost more. Stability in oil prices is the key. There should be no speculative component in the price.

Some claim that the crisis is not a good time for modernization, that it is impossible to implement large-scale programs to raise the efficiency of the use of resources in the time of crisis. That is a disputable argument. It is exactly during a crisis, at times when everybody looks for improving processes and economizing means, that reforms are possible.

It is only by ensuring a reliably high oil price that we will be able to support investment programs of producers and to launch real projects to increase energy efficiency amongst consumers. It is only this way that we can bridge the "2012 supply gap" with minimal negative effects for the global economic system.

In conclusion, I would like to repeat: both for Russia and all major players on the oil market the creation of efficient market architectures must be a priority. We cannot and should not remain hostage to uncontrolled developments!

Thank you for your attention.

Kotova, Anya

From: Kotova, Anya
Sent: Wednesday, June 10, 2009 9:22 AM
To: Kotova, Anya
Subject: Gazprom CEO Alexei Miller Gives Speech in Porto Cervo, Italy
Attachments: Porto Cervo.doc

Gazprom Management Committee Chairman Alexei Miller gave a speech today at the European Business Congress in Porto Cervo, Italy entitled "Energy sector: crisis on financial markets and its impact on investments and energy carriers demand-supply balance."

Miller discussed the impact of the financial crisis on the price of oil and examined prospects for the future, calling on oil market participants to use the financial crisis as an opportunity to build a more efficient oil market architecture.

Below, please find a review of some of the main points made during the speech:

- It is imperative to restructure the oil market to ensure that oil prices reflect growing energy demand.
- Gazprom's forecast for an imbalance between supply and demand of hydrocarbons by 2012, which would lead to price hikes above $250 per barrel of crude, are still realistic.
- The oil market has not undergone structural changes and continues to depend on "off-energy" factors, like the financial crisis, leading producers away from investing in the industry for fear of price volatility. Thus, there are no guarantees that a further increase in demand will be supported by increased investment, causing price hikes.
    - Exploration and production investments in the global oil and gas sector will fall over 20 percent in 2009. If capital expenditure is not restored, forecasts voiced by Saudi Arabian representatives at the Energy Forum in Rome for oil prices to reach $150 per barrel in two to three years will come true.
- Oil market players have to radically review our approach to the way the oil market operates and revise the pricing system.
- Gazprom welcomes and is ready to discuss Eni CEO Paolo Scaroni's proposal to create the Global Oil Agency, provided it will promote transparency and competitiveness in the global oil market.
- Oil market participants should also consider implementing long-term contracts for hydrocarbons supplies, which would be supported by the creation of a unified payment system. The revised pricing system will include a controlled cast of participants to help gradually drive out economically unjustified intermediaries like speculators.
- It is also important to review the existing practice of linking oil prices to one currency to help protect the oil market from instability on the currency markets.
- It is necessary to create a new Oil Exchange of producing countries, which will trade in physical volumes.

****Materials disseminated by Ketchum Inc. on behalf of Gazprom. Additional information regarding the dissemination of these materials can be obtained at the Department of Justice.**